



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

December 2, 2019

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a combined report on the institutions under the control of the Iowa Department of Corrections. The report includes findings and recommendations and average cost per inmate information for the five years ended June 30, 2018.

The average cost per inmate at the nine institutions under the control of the Iowa Department of Corrections ranged from \$21,766 at the North Central Correctional Facility – Rockwell City to \$60,405 at the Iowa State Penitentiary – Fort Madison for the year ended June 30, 2018. General Fund expenditures for the nine institutions totaled approximately \$271 million for the year ended June 30, 2018, a decrease of approximately \$8.7 million, or 3.1%, from the year ended June 30, 2017. General Fund expenditures decreased 1.6% during the five-year period ended June 30, 2018. The average daily cost per inmate of \$88.88 for the year ended June 30, 2018 was 4.0% less than the average daily cost per inmate of \$92.61 for the year ended June 30, 2014. The average number of inmates increased 2.5% over the five-year period, from 8,160 for the year ended June 30, 2014 to 8,363 for the year ended June 30, 2018.

Sand reported five findings related to the receipt and disbursement of taxpayer funds at the nine institutions. They are found on pages 28 through 37 of this report. The findings address issues such as the understatement of accumulated depreciation at the Iowa State Penitentiary – Fort Madison, segregation of duties over bank account reconciliations at the Anamosa State Penitentiary, lack of proper approval for some agency fund expenditures at the Iowa Correctional Institution for Women – Mitchellville and noncompliance with Chapter 73.16 of the Code of Iowa in setting the targeted small business procurement goal at the Fort Dodge Correctional Facility. Sand provided the Institutions with recommendations to address each of these findings.

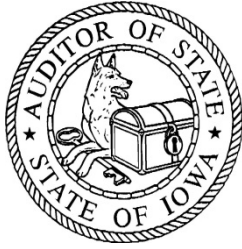
A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**COMBINED REPORT ON THE INSTITUTIONS UNDER THE
CONTROL OF THE IOWA DEPARTMENT OF CORRECTIONS
SCHEDULES
FINDINGS AND RECOMMENDATIONS**

JUNE 30, 2018

Iowa Department of Corrections



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

November 20, 2019

Iowa Board of Corrections
Des Moines, Iowa

Dear Members of the Iowa Board of Corrections:

I am pleased to submit to you the combined report on the institutions under the control of the Iowa Department of Corrections for the year ended June 30, 2018. This report includes findings pertaining to the four institutions' internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2018 audits. This report also includes average cost per inmate at each institution as required by Section 11.28 of the Code of Iowa.

I appreciate the cooperation and courtesy extended by the officials and employees of the institutions under the control of the Iowa Department of Corrections throughout the audits. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

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November 20, 2019

To the Members of the Iowa Board of Corrections:

The Institutions under the control of the Iowa Department of Corrections are part of the State of Iowa and, as such, have been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2018.

In conducting our audits, we became aware of certain aspects concerning the various Institutions' operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include recommendations pertaining to internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with applicable Institution personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Institutions' responses, we did not audit the Institutions' responses and, accordingly, we express no opinion on them.

We have also included certain unaudited financial and other information for the Institutions under the control of the Iowa Department of Corrections for the five years ended June 30, 2018 to report an average cost per inmate at each Institution as required by Chapter 11.28 of the Code of Iowa.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Corrections, the Institutions under the control of the Iowa Department of Corrections, citizens of the State of Iowa and other parties to whom the Iowa Department of Corrections may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Institutions during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Institutions are listed on pages 28, 30, 31, 32, 33, 34, 35, 36 and 37 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Marlys K. Gaston".

Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Iowa Department of Corrections

Overview

Background

In accordance with Chapter 904 of the Code of Iowa, the Iowa Department of Corrections (IDOC) is responsible for the control, treatment and rehabilitation of offenders committed under law to the following nine Institutions:

Iowa State Penitentiary – Fort Madison – Institutions for men consisting of the Penitentiary proper, a maximum-security facility, and the John E. Bennett unit, a minimum-security dormitory. A primary objective of these facilities is to provide rehabilitative services that assist offenders to make a successful transition from prison to their communities.

Anamosa State Penitentiary – A maximum/medium security facility for men. A primary objective of these facilities is to provide rehabilitative services that assist offenders to make a successful transition from prison to their communities.

Iowa Medical and Classification Center – Oakdale – A forensic psychiatric hospital for persons displaying evidence of mental illness or psychosocial disorders and requiring diagnostic services or treatment in a secure setting, secure housing units that serve as the reception center for all incoming male offenders and secure housing units for offenders with mental health and/or medical treatment needs.

Mount Pleasant Correctional Facility – A medium security facility for men that has treatment programs for sex offenders and substance abusers. A primary objective of this facility is to offer programs that reduce risk and assist offenders to make a successful transition from prison to their communities.

Clarinda Correctional Facility – A male facility composed of two sites, a medium security facility which provides rehabilitative services for offenders with intellectual disabilities, mental illness or a chemical dependency, and the Lodge which prepares offenders for discharge, work release or parole.

North Central Correctional Facility – Rockwell City – A minimum security facility for men. The facility prepares offenders for discharge, work release or parole and provides many offenders with actual opportunities to practice functioning within society through work programs.

Iowa Correctional Institution for Women – Mitchellville – A medium/minimum security facility for female offenders. The facility serves as the reception center for all female offender custody classifications committed to IDOC, provides gender responsive rehabilitative services and prepares offenders for discharge, work release or parole.

Newton Correctional Facility – A male facility composed of two sites, a medium security site which provides rehabilitative services and a separate minimum security site, CRC, which prepares offenders for discharge, work release or parole.

Fort Dodge Correctional Facility – A medium security facility designed to house adult male offenders. The facility provides rehabilitative services which assist offenders to make a successful transition from prison to their communities.

Scope and Methodology

We have calculated an average cost per inmate at each Institution for the five years ended June 30, 2018 based on their General Fund expenditures. Certain reclassifications and changes have been made to these expenditures to provide comparable averages between Institutions. Therefore, expenditure amounts and cost per inmate averages may differ from those used for statewide financial statement purposes. These reclassifications and changes are as follows:

- (1) Operating transfers, primarily reimbursements to other state agencies for services, have been reclassified as expenditures for purposes of this report.
- (2) At the inception of a capital lease, total principal payments are recorded as expenditures and as other financing sources for statewide financial statement purposes. For purposes of this report, only the current year principal and interest payments are included as expenditures.
- (3) Canteen operations have been excluded from General Fund expenditures since the canteen is a self-supporting operation at each Institution.
- (4) Non-cash assistance, consisting of USDA commodities, has been excluded from General Fund expenditures.

Summary Observation

The average cost per inmate ranged from \$21,766 at the North Central Correctional Facility – Rockwell City to \$60,405 at the Iowa State Penitentiary – Fort Madison for the year ended June 30, 2018. The average cost per inmate has generally decreased over the past two years, with the average cost per inmate for the year ended June 30, 2018 decreasing from the prior year for six of the nine Facilities. Three of the six Facilities saw a corresponding increase in average number of inmates and all six Facilities saw a corresponding decrease in the average number of employees which reduced their total expenditures.

Over the last five fiscal years, total General Fund expenditures decreased 1.6%, from \$275,841,188 for the year ended June 30, 2014 to \$271,309,942 for the year ended June 30, 2018, the average number of inmates increased 2.5%, from 8,160 to 8,363, and the average daily cost per inmate decreased 4.0%, from \$92.61 to \$88.88.

Iowa Department of Corrections

Schedules

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution
(Unaudited)

For the Last Five Fiscal Years

	Year ended June 30, 2014			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	773	419	\$ 57,869	\$ 158.55
Anamosa State Penitentiary	1,058	311	32,562	89.21
Iowa Medical and Classification Center - Oakdale	972	544	54,854	150.28
Mount Pleasant Correctional Facility	865	247	29,414	80.59
Clarinda Correctional Facility	805	260	33,278	91.17
North Central Correctional Facility - Rockwell City	494	95	21,294	58.34
Iowa Correctional Institution for Women - Mitchellville	581	217	37,251	102.06
Newton Correctional Facility	1,302	258	21,972	60.20
Fort Dodge Correctional Facility	1,310	289	23,159	63.45
Total	8,160	2,640	\$ 33,804	\$ 92.61

Year ended June 30, 2015				Year ended June 30, 2016			
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
725	409	\$ 60,820	\$ 166.63	735	413	\$ 60,858	\$ 166.28
1,080	310	32,071	87.87	1,004	308	34,292	93.69
939	551	58,300	159.73	962	530	57,192	156.26
863	241	29,662	81.27	883	248	30,246	82.64
873	255	31,078	85.15	892	253	31,283	85.47
490	93	21,194	58.07	494	91	21,095	57.64
647	225	36,277	99.39	689	226	34,103	93.18
1,293	257	22,183	60.78	1,166	245	24,566	67.12
1,285	286	23,981	65.70	1,269	276	24,083	65.80
8,195	2,627	\$ 34,113	\$ 93.46	8,094	2,590	\$ 34,830	\$ 95.16

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution
(Unaudited)

For the Last Five Fiscal Years

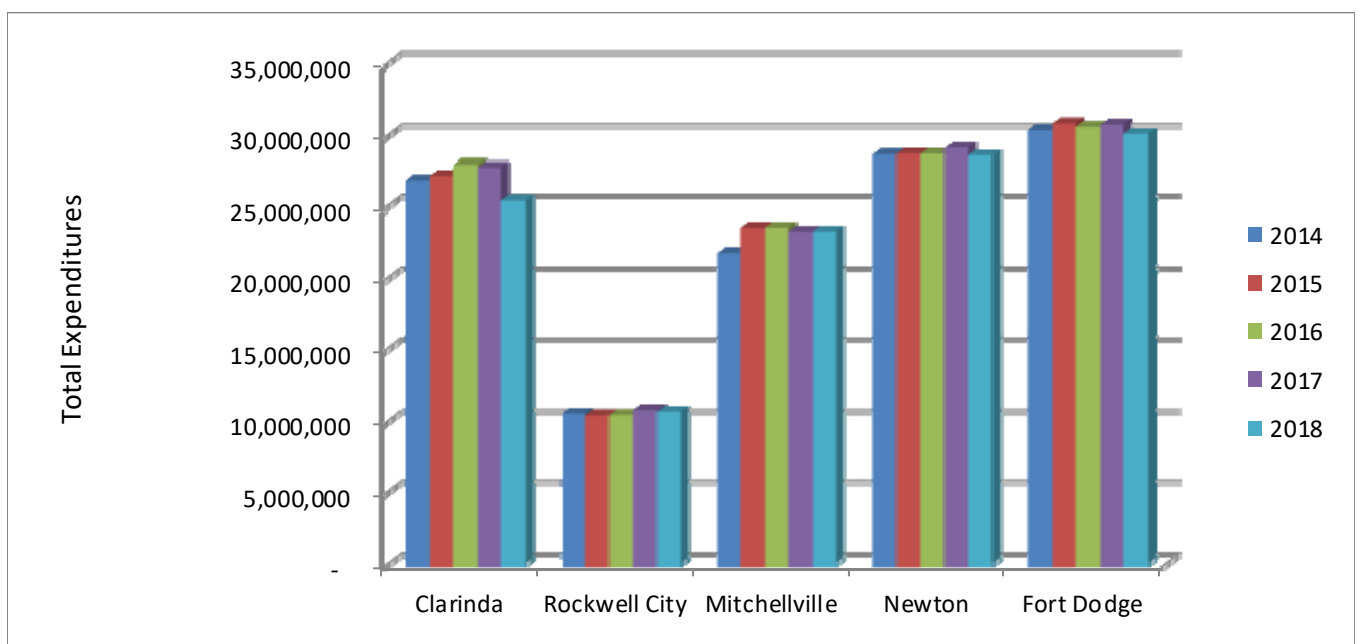
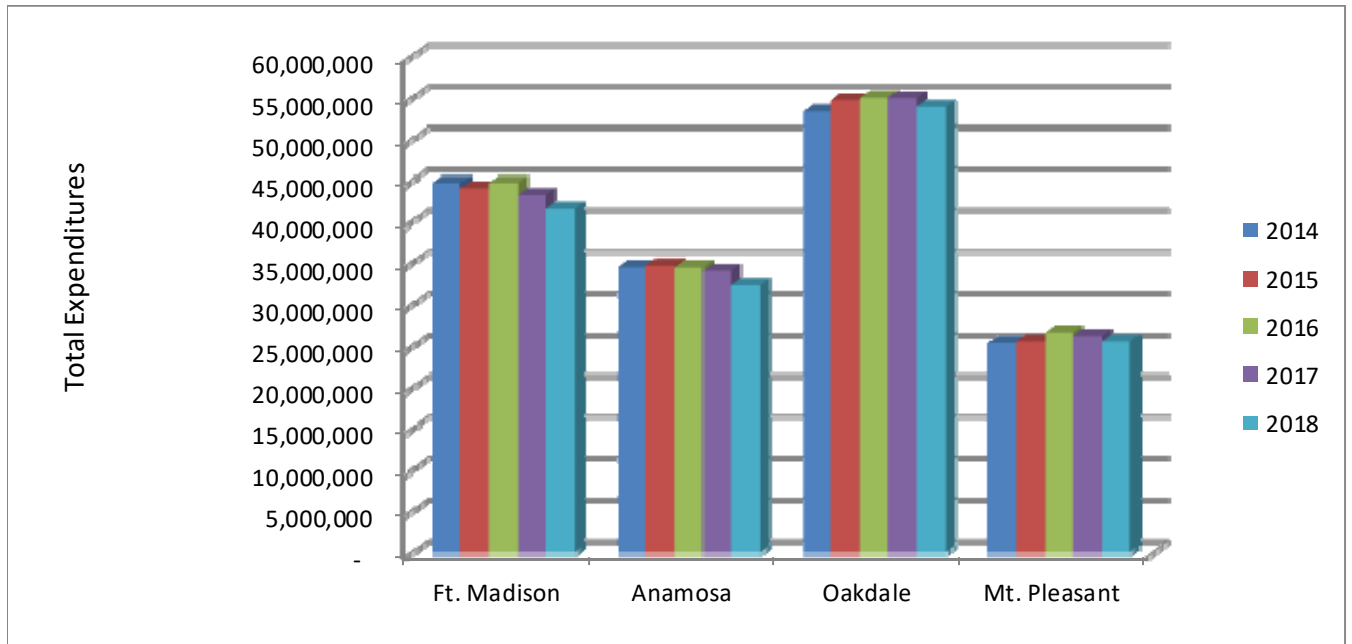
	Year ended June 30, 2017			
	Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
Iowa State Penitentiary - Fort Madison	791	387	\$ 54,691	\$ 149.84
Anamosa State Penitentiary	936	307	36,334	99.55
Iowa Medical and Classification Center - Oakdale	937	518	58,685	160.78
Mount Pleasant Correctional Facility	910	231	28,845	79.03
Clarinda Correctional Facility	1,004	242	27,611	75.65
North Central Correctional Facility- Rockwell City	495	93	21,744	59.57
Iowa Correctional Institution for Women - Mitchellville	720	208	32,238	88.32
Newton Correctional Facility	1,265	245	22,981	62.96
Fort Dodge Correctional Facility	1,263	269	24,319	66.63
Total	8,321	2,500	\$ 33,648	\$ 92.19

Year ended June 30, 2018			
Average Number of Inmates	Average Number of Employees	Average Cost per Inmate	Average Daily Cost per Inmate
688	356	\$ 60,405	\$ 165.49
935	289	34,682	95.02
939	502	57,385	157.22
1,002	212	25,552	70.01
993	210	25,525	69.93
490	90	21,766	59.63
713	205	32,562	89.21
1,303	239	21,903	60.01
1,300	257	23,129	63.37
8,363	2,360	\$ 32,442	\$ 88.88

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution
Total Expenditures
(Unaudited)

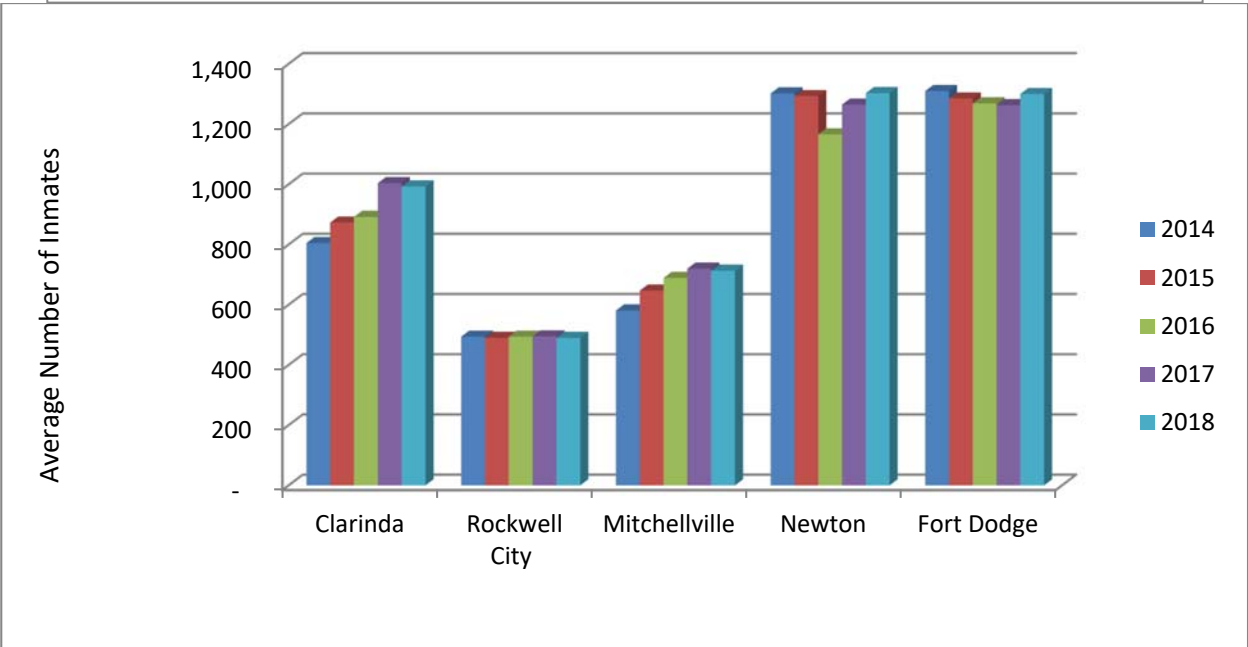
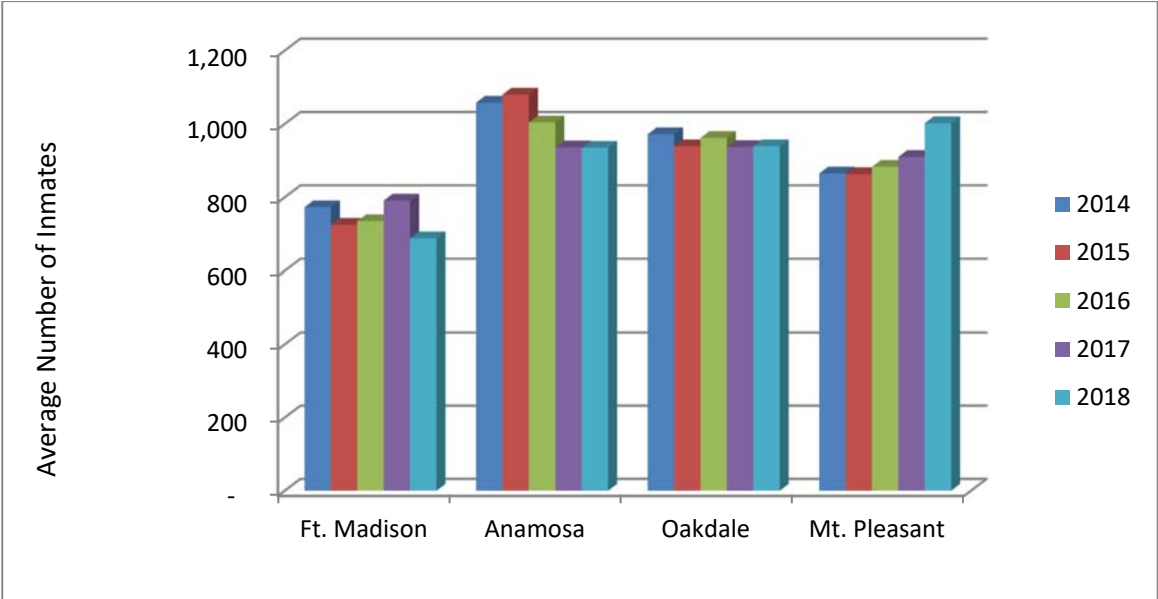
For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution
Average Number of Inmates
(Unaudited)

For the Last Five Fiscal Years

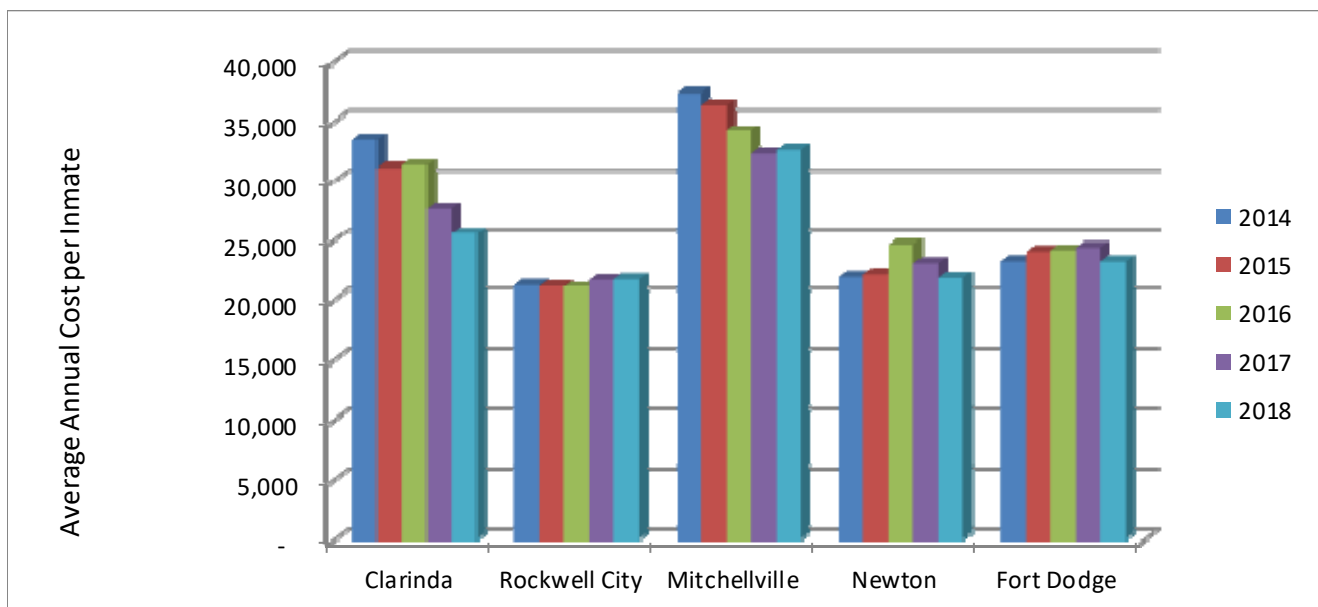
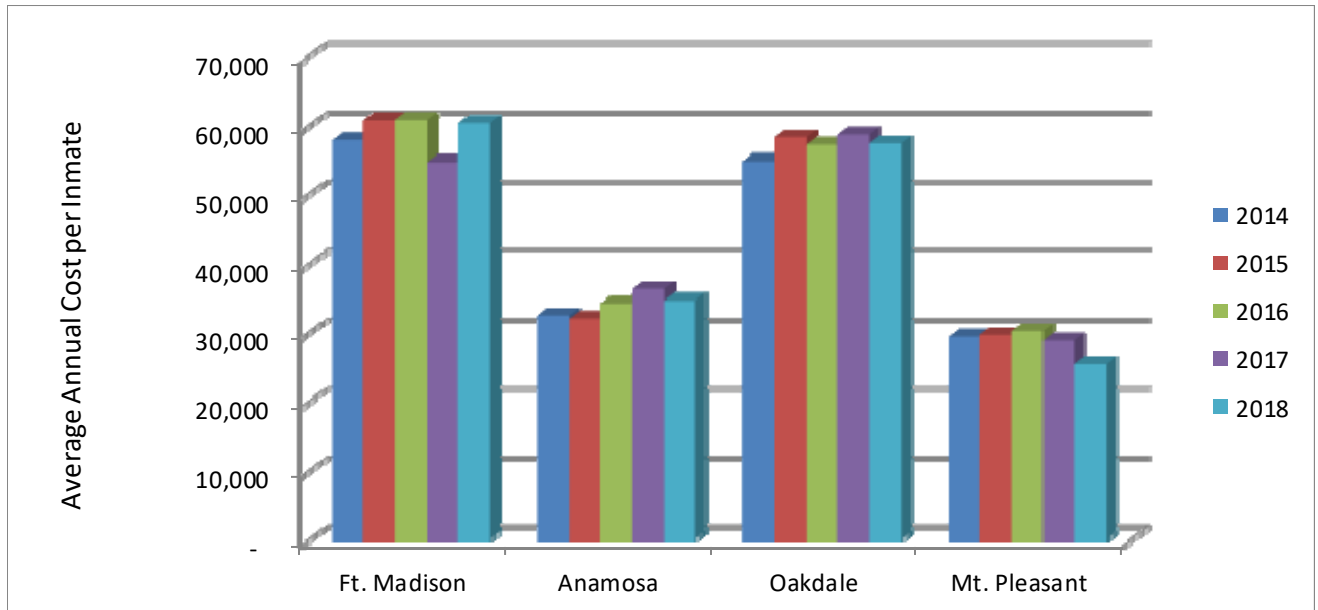


Iowa Department of Corrections

Institutions Under the Control of the Iowa Department of Corrections

Average Cost Per Inmate by Institution
Average Annual Cost per Inmate
(Unaudited)

For the Last Five Fiscal Years



Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2014

	Iowa Medical and			
	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,424,796	27,059,052	44,717,974	21,213,939
Travel	181,483	137,242	260,342	106,278
Supplies and materials	3,099,877	3,837,874	3,591,137	1,994,207
Contractual services	4,484,317	2,527,035	3,335,677	1,546,432
Capital outlay	1,205,054	374,691	1,088,365	280,445
Claims and miscellaneous	332,809	513,219	324,343	301,625
Licenses, permits and refunds	4,532	1,944	-	380
Total	\$ 44,732,868	34,451,057	53,317,838	25,443,306

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
20,971,758	8,155,219	16,458,427	22,003,381	23,702,080	219,706,626
103,152	76,780	132,100	119,456	95,586	1,212,419
2,770,671	1,067,963	2,224,670	3,600,523	3,654,251	25,841,173
2,232,207	986,452	2,073,501	2,292,512	1,873,297	21,351,430
230,027	19,326	515,455	263,302	355,527	4,332,192
478,302	213,504	238,396	327,718	655,492	3,385,408
2,513	39	-	215	2,317	11,940
26,788,630	10,519,283	21,642,549	28,607,107	30,338,550	275,841,188

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2015

	Iowa Medical and			
	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,223,357	27,282,838	45,877,990	21,336,138
Travel	138,910	106,753	226,552	92,369
Supplies and materials	2,971,692	3,787,763	4,267,448	2,170,129
Contractual services	4,820,727	2,470,870	3,467,190	1,445,626
Capital outlay	607,962	421,022	537,209	254,614
Claims and miscellaneous	327,913	565,369	367,249	298,492
Licenses, permits and refunds	3,840	2,337	-	518
Total	\$ 44,094,401	34,636,952	54,743,638	25,597,886

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
21,110,359	8,168,354	18,710,772	22,116,354	23,873,540	223,699,702
101,221	55,019	84,615	133,187	73,068	1,011,694
3,114,220	960,362	2,535,111	3,868,336	4,175,797	27,850,858
2,049,261	947,263	1,671,298	2,117,720	1,835,643	20,825,598
227,272	40,270	181,206	129,744	187,518	2,586,817
525,806	214,033	287,946	316,981	667,438	3,571,227
3,333	-	-	50	2,987	13,065
27,131,472	10,385,301	23,470,948	28,682,372	30,815,991	279,558,961

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2016

	<hr/>			
	Iowa State	Anamosa	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
	Penitentiary - Fort Madison	State Penitentiary		
	<hr/>			
Personal services	\$ 35,974,235	26,856,280	47,120,065	22,431,383
Travel	127,950	83,101	217,533	95,465
Supplies and materials	3,642,692	4,063,838	3,817,802	2,008,913
Contractual services	4,338,548	2,371,229	3,194,533	1,623,848
Capital outlay	319,828	526,650	284,474	251,353
Claims and miscellaneous	322,666	526,386	384,565	295,811
Licenses, permits and refunds	5,005	1,780	-	423
	<hr/>			
Total	\$ 44,730,924	34,429,264	55,018,972	26,707,196
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Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
21,935,309	8,136,673	19,238,331	22,177,832	23,670,549	227,540,657
79,998	53,245	70,126	100,262	71,027	898,707
2,893,795	972,728	2,288,685	3,688,296	4,083,609	27,460,358
2,029,524	974,140	1,559,870	2,072,225	1,825,695	19,989,612
411,165	65,203	96,374	285,996	275,456	2,516,499
550,836	219,070	243,828	319,522	632,163	3,494,847
3,939	-	-	-	2,736	13,883
27,904,566	10,421,059	23,497,214	28,644,133	30,561,235	281,914,563

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2017

	Iowa Medical and			
	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 35,008,439	27,127,040	46,772,160	21,952,281
Travel	124,090	82,540	192,983	73,757
Supplies and materials	3,296,265	3,610,270	4,518,406	2,002,937
Contractual services	4,197,170	2,440,640	2,990,131	1,729,674
Capital outlay	293,411	291,278	83,256	184,367
Claims and miscellaneous	335,647	456,355	431,299	305,468
Licenses, permits and refunds	5,730	725	-	410
Total	\$ 43,260,752	34,008,848	54,988,235	26,248,894

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
21,788,952	8,351,057	18,577,598	22,463,689	23,888,369	225,929,585
83,435	60,236	65,576	82,914	71,385	836,916
3,087,598	1,131,400	2,381,284	3,590,959	3,930,962	27,550,081
2,154,690	890,585	1,804,927	2,308,730	1,912,219	20,428,766
37,002	95,908	144,327	228,377	338,751	1,696,677
566,278	234,140	237,721	395,255	570,522	3,532,685
3,656	-	-	1,327	2,166	14,014
27,721,611	10,763,326	23,211,433	29,071,251	30,714,374	279,988,724

Institutions Under the Control of the Iowa Department of Corrections

General Fund Expenditures by Institution
(Unaudited)

Year ended June 30, 2018

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Personal services	\$ 32,694,564	25,675,580	44,811,511	20,071,892
Travel	92,018	66,243	170,183	54,000
Supplies and materials	3,345,829	3,300,157	4,754,551	2,618,551
Contractual services	4,498,039	2,500,488	2,824,057	1,829,290
Capital outlay	658,545	426,845	919,343	683,981
Claims and miscellaneous	265,219	456,170	404,997	344,999
Licenses, permits and refunds	4,169	2,303	-	553
Total	\$ 41,558,383	32,427,786	53,884,642	25,603,266

Iowa					
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility	Total
19,032,383	8,039,659	18,373,872	21,549,659	23,135,540	213,384,660
74,070	49,442	61,595	71,036	49,705	688,292
3,154,428	1,116,447	2,388,204	3,478,106	3,639,499	27,795,772
2,324,702	1,054,993	2,028,487	2,533,230	2,011,042	21,604,328
390,299	170,118	85,112	460,885	745,136	4,540,264
365,494	234,562	279,590	446,770	482,638	3,280,439
4,895	39	-	55	4,173	16,187
25,346,271	10,665,260	23,216,860	28,539,741	30,067,733	271,309,942

Institutions Under the Control of the Iowa Department of Corrections

Inmate Population Statistics
(Unaudited)

Year ended June 30, 2018

	Iowa State Penitentiary - Fort Madison	Anamosa State Penitentiary	Iowa Medical and Classification Center - Oakdale	Mount Pleasant Correctional Facility
Population beginning of year	729	929	982	957
Increases:				
Admissions and transfers in	232	503	5,324	1,085
Decreases:				
Deaths	2	2	7	-
Discharged - Expiration of sentence	33	53	137	135
Discharge - Other	1	-	-	-
Paroled to Detainer - INS	-	-	21	2
Paroled to Detainer - Iowa	-	-	4	1
Paroled to Detainer - Out of state	-	1	1	1
Paroled to Detainer - U.S. Marshall	-	2	3	2
Paroled with immediate discharge	-	3	5	11
Parole granted	13	45	49	328
Probation - Reconsideration of sentence	1	3	3	15
Released to OWI continuum	-	-	17	5
Released to special sentence	2	6	16	6
Returned to sending jurisdiction	1	2	67	-
Released to Custody of US Bureau of Prisons	1	-	-	-
Revoked	-	-	14	-
Revoked from parole - Work release granted	-	-	13	-
Terminated by appeal - Conviction overturned	2	1	1	3
Terminated by court	-	-	-	-
Transferred to different location	-	-	1	-
Work release granted	17	63	30	340
Work Unit - Hospital	-	3	19	1
Work Unit - Field to Field	1	-	178	-
Work Unit - Prison to corrections/interstate compact	1	1	1	-
Work Unit - Prison to/from field	-	-	4	-
Work Unit - Prison to prison	168	271	4,558	267
Work Unit - Prison to/from residential	-	-	3	-
Work Unit - Prison to stayed under appeal	-	-	11	3
Work Unit - Transfer to/from county jail	-	-	15	-
Total released	243	456	5,178	1,120
Population end of year	718	976	1,128	922
Average number of inmates	688	935	939	1,002

Iowa				
Clarinda Correctional Facility	North Central Correctional Facility - Rockwell City	Correctional Institution for Women - Mitchellville	Newton Correctional Facility	Fort Dodge Correctional Facility
1,014	491	751	1,374	1,310
1,066	678	1,697	2,154	1,154
-	-	-	1	-
81	72	100	166	156
-	-	-	-	-
-	-	1	-	3
9	2	5	3	9
12	2	8	2	19
9	-	1	1	24
16	17	21	13	2
254	253	321	232	254
9	7	10	9	5
1	3	1	51	1
11	4	5	164	22
-	-	3	21	2
-	-	-	-	-
-	-	36	218	-
-	-	33	130	-
-	-	-	1	2
-	-	2	-	1
-	-	-	-	-
217	198	177	179	292
189	1	7	5	6
-	-	1	-	1
-	-	-	-	-
-	-	7	5	-
295	135	962	710	398
-	-	4	5	-
-	-	-	2	-
-	-	54	294	-
1,103	694	1,759	2,212	1,197
977	475	689	1,316	1,267
993	490	713	1,303	1,300

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Finding Related to Internal Control:

Financial Reporting – Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS–SAE) in a GAAP package.

Due to errors in the calculation of depreciation expense in prior years, the accumulated depreciation beginning and ending balances reported in the GAAP package are misstated. The ending balance reported for accumulated depreciation is understated by \$4,744,637.

Recommendation – The Institution should review the amounts reported for accumulated depreciation and make any necessary corrections. These corrections should be reported in the fiscal year 2019 GAAP package.

Response – The institution will review procedures to ensure GAAP package information is reported correctly on the GAAP package. We will make the appropriate adjustments on the FY2019 GAAP Package.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Michelle B. Meyer, CPA, Manager
Cody J. Pifer, Staff Auditor

Other individuals who participated in the audits include:

Terry J. Erlbacher, Staff Auditor
William J. Sallen, CPA, Staff Auditor
Steve D. Rater, Assistant Auditor
David A. Slocum, Assistant Auditor
Ryan A. Manglos, Intern Auditor

Findings and Recommendations for the Anamosa State Penitentiary

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Finding Related to Internal Control:

Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. The following were noted in relation to the Anamosa State Penitentiary's bank accounts:

- a) Responsibilities for reconciliation of the support collections bank account are not segregated from that of check writing.
- b) Bank reconciliations for the support collections and commissary bank accounts are not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the Facility should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing current available personnel. Such reviews should be performed by independent persons to the extent possible and should be evidenced by initials or signature of the review and the date of the review.

Response - Effective with the October 2019 bank statements, we will have a separate staff person reconcile all bank accounts. This will be done by our Purchasing Assistant who has no check writing abilities on the accounts. We had already begun the practice of having the Associate Warden of Administration review and sign off on all bank reconciliations. All account reconciliations since July 2018 have been reviewed.

Conclusion – Response accepted.

Finding Related to Statutory Requirements and Other Matters:

Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the Facility to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The Facility does not receive an image of the back of each cancelled check.

Recommendation – The Facility should obtain and retain images of both the front and back of cancelled checks as required by Chapter 554D.114 of the Code of Iowa.

Response – Effective with the May 2019 bank statements, the statements include the fronts and backs of the check images

Conclusion – Response accepted.

Findings and Recommendations for the Anamosa State Penitentiary

June 30, 2018

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Gwen D. Fangman, CPA, Manager
Prem Gobin, Senior Auditor

Other individuals who participated in the audits include:

William J. Sallen, CPA, Staff Auditor
David A. Slocum, Assistant Auditor
Nick A. Kruse, CPA, Assistant Auditor

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Sidot K. Shipley, Senior Auditor

Other individuals who participated in the audits include:

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Ronica Drury, Assistant Auditor
David A. Slocum, Assistant Auditor

Findings and Recommendations for Mount Pleasant Correctional Facility

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Pamela J. Bormann, CPA, Manager
Jesse J. Probasco, CPA, Senior Auditor

Other individuals who participated in the audits include:

Nicholas J. Gassman, Staff Auditor
Kile J. Bean, Assistant Auditor
April R. Davenport, Assistant Auditor
David A. Slocum, Assistant Auditor

Findings and Recommendations for the Clarinda Correctional Facility

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Finding Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Lesley R. Geary, CPA, Manager
Anthony J.T. Mallie, CPA, Staff Auditor

Other individuals who participated in the audits include:

Noelle M. Johnson, Staff Auditor
Matthew A. Miller, Staff Auditor
Jason J. Miller, Staff Auditor
Nichole D. Tucker, Staff Auditor

June 30, 2018

Findings Reported in the State’s Single Audit Report:

No matters were reported.

Findings Reported in the State’s Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Malika Moutiq, Staff Auditor

Other individuals who participated in the audits include:

Chris M. Anderson, Staff Auditor
Maria R. Collins, Assistant Auditor

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Finding Related to Internal Control:

Agency Fund Accounts – The Center is responsible for multiple Agency Fund accounts. For the Recreation Agency Fund, although expenditure requests were completed for eleven of thirty disbursements tested, they lacked approval from the Business Manager.

Recommendation – The expenditure requests should be approved by the Business Manager.

Response – Moving forward, all expenditure requests will be reviewed and approved by the Business Manager. In absence of the Business Manager, the Warden will review and approve all expenditure requests.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Jennifer L. Wall, CPA, Manager
Alex N. Kawamura, CPA, Senior Auditor

Other individuals who participated in the audits include:

John G. Hanson, Staff Auditor
Bianca M. Cleary, Assistant Auditor

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Pamela J. Bormann, CPA, Manager
Chris M. Anderson, Staff Auditor

Other individuals who participated in the audits include:

Drew H. Carter, Staff Auditor
Matthew A. Miller, Staff Auditor

June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were reported.

Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

Targeted Small Business Procurement Goal – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include the procurement of goods and services, including construction, but excluding utility services. The goal shall be stated in terms of a dollar amount at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year. TSB procurement goal for the Facility for fiscal year 2018 was not set a level greater than fiscal year 2017 actual TSB spending.

Recommendation – The Facility should establish a goal which exceeds the 2017 actual TSB spending, as required or seek legislation to change this statutory requirement.

Response – We were not aware that the goal had to increase from the prior year's actual. We thought the increase was compared to the previous year's goal. We understand this now and will set the goal accordingly.

Conclusion – Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Janet K. Mortvedt, CPA, Manager
Ashley J. Moser, Senior Auditor

Other individuals who participated in the audits include:

Taran E. McCusker, Staff Auditor
Nicholas J. Rustin, Staff Auditor